Secrets. II—97—100,000—27-5-43.

Finance (1948) Department.

MS SERIES.

G.O. No. 898

Dated 14-9-48

[Despatch Abstract.]

BUDGET : 1948-49 : SUPPLEMENTARY ESTIMATES : QUESTION WHETHER DISCUSSION BY LEGISLATIVE ASSEMBLY SHOULD PRECEDE DISCUSSION BY COUNCIL : PAPERS : RECORDED.

Finance Department.

Extract of notes from the file relating to Report of the Public Accounts Committee on the Accounts of 1945-46 and Audit Report 1947 -- Consideration by the Legislative Assembly and moving of demands for excess grants

It has hitherto been the practice to have the discussion on the supplementary statement of expenditure in the Legislative Council prior to the discussion and voting of the supplementary demands by the Legislative Assembly. But this procedure was questioned in the Legislative Assembly in March 1948 on the ground that the Assembly, which is alone concerned with the Demands for Grants, should discuss them prior to the Legislative Council, and the then Leader of the House agreed with this view. It is accordingly suggested above that the discussion of the statement of Demands for excess expenditure should take place in the Legislative Council after the demands have been voted by the Legislative Assembly on the same day.

3. The practice hitherto was to have the discussion on these demands in the Legislative Council prior to their voting in the Assembly for the reason that "to fix the discussion in the Council for a date later than that fixed for voting in the Assembly is discourteous to the Upper House and is likely to provoke severe and bitter criticism" with which the then Premier agreed. In view of the statement made by the Leader of the House (Dr. P. Subbaroyan), it is now proposed to have the discussion in the Council after the voting in the Assembly.

It is no doubt true that the intention of the Government of India is that Money Bills shall be initiated in and Demands for grants submitted for vote to the Legislative Assembly alone and in Bombay, voting in the Assembly precedes discussion in the Council. But the Act is silent about the discussion stage and Legislative procedure in the matter of Finance differs in India from that which exists in the United Kingdom. There is no Annual Appropriation Bill in India which is sent to the House of Lords for concurrence after being voted upon by the House of Commons. In case it is necessary to have the demands discussed by the Assembly before discussion by the Council, separate days for discussion and voting in the Assembly may be allotted as in the case of the General Budget.

The existing practice is based on a very sound reason that the discussion in the Council of these grants after they are approved by the Assembly will be futile and unreal. If there is to be change in the practice, it is better, if it is effected after consulting Honourable President.

xx /7-7-1948.

FINANCE (ACCTS.A.) DEPARTMENT.

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The question has been raised whether the discussion in the Legislative Council should precede the discussion and voting in the Legislative Assembly as has been the practice hitherto in

Madras. Dr. P.Subbrayoyan who was the Leader of the House in March 1948 agreed in the Legislative Assembly that the Legislative Assembly should first discuss the Supplementary Statement of Expenditure and even vote on ~~the~~ it before it goes to the Legislative Council. The Legislature Secretariat have noted that this is the practice followed in Bombay also. They, however, point out that the discussion in the Legislative Council on Supplementary Grants (and Excess Grants) after they are approved by the Assembly will be futile and unreal and that if there is to be a change in the practice it is better if it is effected after consulting the Honourable the President. They have also suggested that if it is necessary to have the Supplementary Demands (and Excess Demands) discussed by the Assembly before discussion by the Council, separate days for discussion and voting in the Assembly may be allotted as in the case of the General Budget

5. So far as the Demands for Excess Grants are concerned the matter is a formal one relating to the year 1945-46, and it does not seem that the order of their discussion in the Assembly and the Council is of much importance. There has been so far no occasion to present to the Legislature, a formal Statement of Demands for Grants for Excess Expenditure under the Government of India Act, 1935, as the excess expenditure was regularised by His Excellency the Governor under the Section 93 situation in previous years. It is, therefore, submitted that so far as the Statement of Demands for Excess Grants for 1945-46 is concerned, the discussion in the Legislative Council may take place on the fore-noon of Monday the 26th July 1948 and that the consideration of the Report of the Public Accounts Committee and the voting of Demands for Excess Grants in the Legislative Assembly may take place in the afternoon of the same day. The Authenticated Schedule may be laid on the table of the Legislative Assembly on some convenient day later, either at the present meeting or at a subsequent meeting.

6. As regards the Supplementary Statement of Expenditure for 1948-49, orders are being asked for separately as to whether the Statement will be presented at the present meeting or deferred to the next meeting. Orders on the point may be awaited, as before the question of the order of discussion in the Legislative Assembly and Council is further considered in consultation with the Honourable the Speaker of the Legislative Assembly and the Honourable the President of the Legislative Council.

) H.M.(Fin) has since decided that the presentation of Supplementary statement of Expenditure be deferred.

T.E.V./8.7

R.R./8-7-1948

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T.E.V./8-7-1948.

Better, we take this up in the next session of the Assembly, possibly in September.

"X"

B.G.R.
9-7-48

FINANCE (B.G.) DEPARTMENT.

Supplementary Statements of Expenditure 1948-49 - Procedure for discussion in the Legislature.

Please see the extract of notes on pages 1-2 above. H.M.(Finance) has decided that the presentation of the supplementary statement of expenditure for 1948-49 and the statement of demands for excess expenditure for the year 1945-46 may be held over to the next session of the Legislative Assembly, possibly in September. The question of the procedure to be followed for the discussion of the supplementary statement of expenditure (and the statement of demands for excess expenditure) in the Legislative Assembly and in the Legislative Council has not, however, been settled. This point may be pursued now, so that there will be no difficulty later at the time when the statement has actually to be presented before the Legislature.

2. In regard to the Annual Financial Statement (Budget) the procedure now followed is as follows:-

(a) The Budget is presented to the Legislative Assembly on the fore-noon of the prescribed date and to the Legislative Council on the after-noon of the same day.

(b) One or two days after the presentation of the Budget, the Legislative Assembly has a general discussion on the Budget. After the discussion in the Assembly is over, the general discussion in the Council commences.

(c) After both the Assembly and the Council have had the general discussion on the Budget, the voting of demands for grants in the Legislative Assembly is proceeded with.

The above procedure is in accordance with the Rules 124, 125, 126 and 127 of the Madras Legislative Assembly Rules and Rules 124 and 125 of the Madras Legislative Council Rules.

3. In regard to the supplementary statement of expenditure, the Legislative Assembly Rules (130 and 131) provide for presentation and voting only without any general discussion on the supplementary statement as a whole. The corresponding Legislative Council Rule (126) provides for presentation of the supplementary statement in the Council and for a general discussion there. The general discussion

in the Legislative Council is provided for, as the Council has no power to vote the supplementary demands for grants.

4. As pointed out in the notes on pages 1-2 above, it has, hitherto, been the practice for the Legislative Council to have its general discussion on the supplementary statement of expenditure prior to voting of the demands for grants by the Legislative Assembly. In March 1948, Dr. P.Subbaroyan, then the Leader of the House, agreed that the Legislative Assembly should first dsicuss the matter and even vote on it before the Supplementary statement of expenditure went to the Legislative Council. If this view is still upheld, the general discussion on the supplementary statement of expenditure in the Legislative Council will have to take place after the supplementary demands have been finally disposed of by the Legislative Assembly. In the circumstances, the discussion in the Legislative Council will be rather futile and unreal. But the Council will still have an opportunity to give expression to its views on the matters covered by the supplementary statement of expenditure, and any important or general ~~position~~ point raised in the Council may be considered by the Government on its merits, even though the supplementary demands may have been voted by the Assembly already.

5. The Legislature Secretariat has made the suggestion that, if it is necessary to have the supplementary demands discussed by the Assembly before discussion by the Council separate days for discussion and voting in the Assembly may be allotted as in the case of the General Budget. This suggestion overlooks the fact that a general discussion on the supplementary statement of expenditure (apart from the voting of demands) is not provided for in the Legislative Assembly Rules. Further, as the discussion of a demand for a supplementary grant is to be confined to the details of which it is composed, there will also be no point in having a general discussion first and a detailed discussion by demands later.

6. The case may now be sent to the Secretariat of the Legislature for suggesting the actual procedure that may be followed in future in regard to the discussion of the supple-

* The procedure to be followed in regard to the discussion of the Demands for excess Grants for 45-46 is not of much importance. see para 5 on p.2 above.

supplementary statement* of expenditure, in consultation with the Honourable the Speaker of the Legislative Assembly and the Honurable the President of the Legislative Council.

R.R.
30.7.48

T.N.S.R.
31.7.48

SECTT. OF THE MADRAS LEGISLATURE.

The notes relating to the rules referred to by Finance on pages 3-4 ante are contained in G.O. No. 545 Public (Reforms) dated 17-3-1937. The Public (Elections) Department may be requested to put up that G.O. and other papers connected therewith for reference and return.

XX /5-8-1948

PUBLIC (ELECTIONS) DEPARTMENT.

Please see the note of the Legislature Sectt. above. The original of G.O. No. 545 Public (Reforms) dated 17-3-1937 and other papers connected therewith are put up at flags U, I and T.

The file may be returned to the Legislature Sectt.

X/8-8-48. (, (S)

SECRETARIAT OF THE MADRAS LEGISLATURE.

The present practice is to have the discussion of the supplementary statements of expenditure in the Council prior to their voting in the Assembly. The Hon.Dr.P.Subbarayan (the then Leader of the House) made a statement in March 1948, that the Legislative Assembly should first discuss the matter and even vote on it before the supplementary statement of expenditure went to the Legislative Council. Finance therefore, proposed a change accordingly in the present practice, but this Department pointed out that the existing practice might continue. This file has been sent to this Department now for settling the actual procedure to be followed in future in consultation with the Honourable the Speaker and the Honourable the President.

2. Finance still consider that even if the discussion in the Council follows the voting in the Assembly, the Council will still have an opportunity to give expression to its views

on the matters covered by the supplementary statement of expenditure, and any important or general point raised in the Council may be considered by the Government on its merits, even though the supplementary demands may have been voted by the Assembly already.

But as already pointed out, the present practice is based on the sound reason that the discussion in the Council of these grants after their approval by the Assembly will be futile and unreal and is also likely to provoke severe and bitter criticism. It is also in accordance with that followed in other bi-cameral provinces except Bombay.

3. In case this was considered impossible this Department suggested, in order to meet the wishes of both the Houses, that separate days for discussion and voting in the Assembly may be allotted as in the case of the general budget. Finance ~~considers~~ consider that it is not permissible under Assembly Rules 130 and 131. But it may be pointed out that in so far as the Government of India Act refers only to voting of demands and Rule 131 prescribes that the demands for supplementary grants should be dealt with as if they were demands for grants, "voting on the demands" referred to in Rule 130 (2) (a) may be said to cover both general discussion and voting. Rule 132 (b) is a special provision in regard ~~in~~ to cases where a supplementary estimate deals solely or partly with non-votable items of expenditure referred to in Section 78 (3) (b) to (b) and does not affect the above interpretation. Please see page 1926o- of Bengal L.A. Debates (1937) and page 2672 etc., of Bombay L.A.Debates (1938).

But the general discussion can only be on a matter arising directly and specifically out of the demand voted and nothing more. No useful purpose will, therefore, be served by having seprate days for general discussion and for voting on supplementary demands for grants in the Assembly.

In the circumstances it is for orders whether for reasons stated in paragraph 2 above, the present system may be continued.

The present system may be continued.

xx/11-8-1948.

Rules as at present exist, do not provide for a general discussion on Supplementary Demands in the Assembly and such a discussion is not also warranted since it must be strictly confined to the items contained in Supplementary Demands.

Unless the rule is altered no such discussion is permissible. So I suggest the existing practice may continue. Dr. Subborayan's statement in March 1948 is to be impelemented, it will certainly lead a curious situation where the Council will discuss Supplementary Grants which has been already voted upon and disposed of the Assembly. Then again it might also deprive the Assembly members of an opportunity of knowing the minds of the members of the Upper House which consists of matured and experienced men, before they are called upon to vote on the grants.

D.K.V.
13.8.49

The rules do not fix the orders or precedence in this matter. The substance of the whole matter is that both the houses should express their views upon the statement.

The only guide for us therefore is commonsense.

Reason demands that the House which has no right to vote should at least have an opportunity to express its views before the other House finally disposed of the matter by voting. It is this aspect of the matter, I am sure, which appealed to the then Premier C. Rajagopalachari. There is no reason to change the procedure, intitiated by him and followed ever since. Dr. Subbaroyan, I am afraid, did not correctly understand this. He evidently thought that the Supplementary Demands were to be treated just like the Principal Budget with two stages for discussion and voting. I am therefore strongly of the view that not only no change is warranted, but if it is done it will be resented.

xx/13-8-49
Hon.President.

As things at present stand supplementary grants containing estimates of expenditure charged on the Revenues of the Province are straightaway submitted to the vote of the House and no discussion is allowed. In the case of these grants the discussion is raised on cut motions which should be strictly relevant to the items contained in them. Since no such cut motions are allowed in the case of charged expenditure no discussion takes place on them. This seems rather anomalous in view of the fact that such charged expenditure, except items relating to the Governor's personal allowances, etc., could be discussed under the Government of India Act. In this connection please see rule 130 (2) (c). Therefore I suggest that in future in cases of supplementary grants which contain estimates of expenditure charged to the revenue of the Province there should be a separate day allotted for discussion as distinct from the day allotted for voting. In such cases the discussion in the Assembly might precede the discussion in the Council, though the voting in the Assembly succeed the discussion in the Council. Otherwise the practice might continue.

xx/13-8-1948

Hon.Speaker.

FINANCE (B.G.) DEPARTMENT.

This file deals with the question whether, with reference to the statement made in the Legislative Assembly on 24th March 1948 by Dr. P.Subbarayan (the then Leader of the House), any change is necessary in the present practice of having the discussion of the Supplementary Statements of expenditure by the Council prior to their voting in the Assembly.

The notes of this Department on pages 3-4, of the Legislature Secretariat on pages 5-7 and the orders of the Hon'ble President, Legislative Council and Hon'ble Speaker, Legislative Assembly, on pages 7-9 above may be perused. Both the Hon'ble President and Hon'ble Speaker agree that the Legislative Council should discuss the Supplementary statements of expenditure before they are taken up for voting by the Legislative Assembly and that no change need be made in the present practice. ____This means

means that the undertaking given by Dr.P.Subbarayan will not be implemented. Perhaps, the final decisi in the matter may be explained by H.M.(Finance) in the Legislative Assembly when the first supplementary statement of expenditure for this year is presented to the Assembly. No further action is necessary now in the matter.

R.R.
24.8.48

In this connection, the Hon'ble Speaker has sugg ested that a seprate day should be allotte for discussion (as distinct from the day allotted for voting) by the Assembly in cases of supplementary ~~esti~~ grants which contain estimates of expenditure charged on the Revenues of the Province; and that, in such cases, the discussion in the Assembly might precede the discussion in the Council, though the voting in the Assembly might succeed the discussion in the Council. It may be mentioned that the necessity for allotting a seprate day for discussion (as distinct from the day of voting) by the Assembly will arise only in cases where a supplementary demand includes items of charged expenditure alone, e.g. the demand relating to Debt charges. (The general discussion in such cases will not take much time). This will be borne in mind when determining the dates of presentation and discussion in the voting in the Legislature of the Supplementary statements of expenditure in future.

Even in cases where demand may comprise both "~~charged~~ voted" and "charged" items, the supplementary demand may relate to "charged" items alone. Except when an item relates to both voted and charged expenditure all charged items may be discussed on the day to be fixed for discussion.

R.R.
25.8.48

3. The case may be circulated to H.M.(Fin. for approval of the procedure indicated in paragra 1 and 2 of the note above.

R.R./25-8-48

T.N.S.R./26.8.48
Secy.

After all, even for the general budget it is so.

General discussion in the Assembly, general discussion in the Council and lastly voting on demands in the Assembly.

With regard to supplementary grants there is no discussion in the Assembly. Council first discusses them and Assembly votes after dismussion.

No change seems necessary.

B.G(opala) R(eddy)
2-9-1948
H.M.(Finance).

The papers may now be

G.O.(Ms) No. 898 Finance dated the 14th Sept

R e c o r d e d.

Abstract: BUDGET - 1948-49 - Supplementary Estimates - Question whether discussion by Legislative Assembly should precede discussion by Council - Papers recorded.

/True copy/

Superintendent
Madras Records Office, Egmore.